



Testimony of Kay Holcombe,
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On Behalf of
The Biotechnology Industry Organization

“Reauthorization of the Prescription Drug User Fee Act”

Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives

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INTRODUCTION:

Chairman Pallone, Ranking Member Deal, and members of the Health Subcommittee, thank you for the opportunity to testify before you today on the success of the Prescription Drug User Fee Act (PDUFA) and the proposed enhancements for PDUFA IV.

My name is Kay Holcombe and I am Senior Policy Advisor for Genzyme Corporation. As one of the world's foremost biotechnology companies, Genzyme is dedicated to making a major positive impact on the lives of people with serious diseases. Founded in Boston in 1981, Genzyme has grown from a small start-up to a diversified enterprise with more than 9,000 employees in locations across the United States and spanning the globe. Genzyme is a leader in the effort to develop and apply the most advanced technologies in the life sciences to address a range of unmet medical needs. Over the past two decades Genzyme has introduced a number of breakthrough treatments and diagnostics in the areas of inherited disorders, kidney disease, orthopaedics, transplant and immune disease, and cancer, which have provided hope to patients who previously had no viable treatment options.

Today I represent the Biotechnology Industry Organization. BIO represents more than 1,100 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States. BIO members are involved in the research and development of healthcare, agricultural, industrial and environmental biotechnology products. Like Genzyme at its start, most biotechnology companies are currently working to bring their first innovative product to market. A strong, credible, and efficient Food and Drug Administration (FDA) plays a critical role in enabling BIO member companies' success in creating the next generation of biotechnology medicines.

PDUFA HAS BEEN A SUCCESS

The PDUFA program has been widely credited as an innovative program that has strengthened the Food and Drug Administration's (FDA's) capacity to evaluate the safety and effectiveness of new drugs and biologics, thereby expediting the availability of needed new therapies for patients. Congress enacted PDUFA to provide FDA with additive, consistent, multi-year resources to increase its review capacity, including new medical and scientific expertise, so the agency could become more efficient without reducing its commitment to the highest standards of empirically based product evaluation. In fact, since its inception in 1992, PDUFA has helped enable FDA to approve more than 1,200 new medicines and reduced review times for innovative drugs and biologics, providing patients and doctors with earlier access to breakthrough treatments.

While the program is successful, additional improvements can help address FDA's increasing workload and provide the agency with 21st century tools to evaluate prescription drug products. The recommended PDUFA IV improvements will enhance

both FDA's post-market safety capacity and review infrastructure. BIO played a role in the consideration of these proposals and fully supports these recommendations. We urge Congress to adopt this framework in reauthorizing PDUFA in a timely manner prior to its expiration.

A LIFECYCLE APPROACH TO DRUG SAFETY EVALUATION:

BIO endorses the PDUFA IV proposals because they underscore our commitment to patient well-being and safety by supplementing the Agency's resources to enhance and modernize the drug safety system in the United States. Safety is an integral and paramount part of companies' considerations during research and development, FDA's deliberations during application review, and as part of post-market monitoring by the agency and by companies. When considering improvements to the Food and Drug Administration's safety evaluation system, the following principles should be taken into account:

BIO Principles for Changes to Drug Safety Evaluation and Monitoring:

- *FDA Should Continue to Lead in Evaluating Safety and Efficacy:* In the United States, the FDA is, and should remain, the government reviewer of benefits and risks of regulated products. FDA's scientific knowledge and expertise is essential for evaluation of safety and efficacy of medicinal products and FDA must have sufficient resources to complete its mission. Also, the Agency should be provided with the flexibility to distribute its resources to maximize efficiency and value. FDA's current organizational structure, which deals with drug and biologic safety pre- and post-approval in an integrated way, is appropriate for the comprehensive and systematic evaluation of safety throughout the lifecycle of medicines.
- *Benefits and Risks Must be Considered Together:* All drugs and biologics carry both benefits and risks that should be carefully weighed by patients and their doctors. The balance between the benefits of treatment and the risks of potential side-effects will differ based on many factors, including the nature of the treatment and the condition, and each patient's unique medical profile. Efforts to improve safe use of medicines should support and inform medical decisions made by patients and their physicians, rather than limit the ability of physicians to prescribe a particular medicine to a particular patient. This will help to ensure that patients continue to have access to medications they and their physicians believe they need.
- *Patients and Practitioners Benefit from Timely, Accurate, and Relevant Information:* Patients and physicians need timely, accurate, and relevant information about the benefits and risks of a drug or biologic so they can make well-informed choices about therapy. FDA's assessment and

communication of emerging information regarding a treatment's benefits and risks, both before and after approval, provides a needed integrated system of medical product evaluation. Safety information collection, communication, and regulatory action should be informed by the best available scientific data and expert advice.

- *Safety Systems Should Support and Reflect Innovation:* The most beneficial policies and actions with respect to drug safety are those that continue to enhance patient health and that promote innovation and the development of novel medicines. Biotechnology companies are on the leading edge of scientific advances in biomedical science and bioinformatics. The public and private sector should work collaboratively to harness and use these advancements to enhance, optimize, and modernize the system of drug and biologic safety evaluation.

BIO believes the negotiated PDUFA IV reauthorization proposals are fully consistent with these principles and should be implemented. Additionally, these principles would support the establishment of a private-public partnership to conduct routine, active surveillance through the use of population-based medical databases. Such a system could identify safety signals and analyze the findings, so meaningful information can be communicated to the public to support individual medical decisions. In addition, based on the information gleaned from such a 21st Century active surveillance program, FDA can determine what, if any, additional risk mitigation steps might be appropriate. Certain other drug safety proposals, such as a separate office of drug safety, conditional product licensure, one-size-fits-all risk management strategies for all drugs, or restrictions on a physician's ability to prescribe an appropriate treatment to a patient, would not be in accordance with these principles.

Modernized Approaches to Post-Market Surveillance:

PDUFA III provided FDA with \$71 million to ensure efficient risk management after a product was approved, and the PDUFA IV recommendations would build on that commitment. The PDUFA IV post-market safety enhancements would provide FDA with nearly \$150 million over five years to establish a foundation of epidemiological expertise, IT infrastructure, and programmatic skill sets necessary for an up-to-date post-market surveillance system based on 21st century advances in science and health information technology. With this funding, FDA would be able to further its public health mission while continuing to enable access to safe and effective medical products. Along with modernizations to current adverse event collection systems, FDA would have the capacity to utilize large medical datasets to mine for potential safety signals actively and to subsequently facilitate the testing of those signals. With this capacity, FDA would be better equipped to identify adverse events that might not be evident in clinical trials.

Based on these recommendations, FDA would establish its vision for a 21st century drug safety system based on a five-year plan developed with the input of the public, academia,

and industry experts. FDA would establish best scientific practices for conducting analyses of medical data sets, validate post-market risk management and minimization plans to identify the most successful strategies and disseminate information about such strategies, and study how to maximize the value of adverse event reporting and analysis during a product's marketed life.

Expediting Drug Development:

Additionally, these PDUFA proposals would provide FDA with the resources necessary to draw on recent advances in genomics and biomedical science to develop information to help improve drug development through earlier ability to predict risks and develop appropriate ways to manage them. For example, FDA would release several guidances to expedite drug development. These guidances would outline the agency's latest thinking on how to predict certain toxicities more accurately and how to enhance the quality of the information developed through clinical trials. FDA and stakeholders would work together to develop tools necessary to further work in personalized medicine, such as new validated safety and efficacy biomarkers and new ways to measure variation in patient response.

Improved Procedures to Ensure Timely and Valuable Pre-Market Reviews:

FDA also would improve the processes for developing clear and concise product labels and scientifically appropriate post-market commitments. Often, discussions of product labeling and phase IV trials occur near the end of the review period with limited time for meaningful dialogue and few standardized procedures. The PDUFA IV recommendations include that FDA would plan for adequate time in the review process for these critical discussions, usually 30 days before the user fee date. Allotting this time for meaningful discussion will lead to enhanced safety information emerging from post-market trials and clearer label information for patients and physicians.

Reducing Medication Errors:

In addition, the PDUFA IV recommendations include a program under which FDA would improve the process for review of prescription drug product names, to minimize the potential for medication errors caused by name confusion. According to the Institute of Medicine (*July 2006*), 1.5 million preventable medication errors occur each year in the United States and some of these mistakes are caused by confusion over the drug's name. The PDUFA IV recommendations improve the process for evaluating proprietary drug names so that concerns can be identified earlier, before a product goes on the market.

Information Technology Enhancements:

PDUFA IV provides FDA with additional resources to establish an automated standards-based information technology environment for the exchange, review, and management of information supporting the process for the review of human drug applications throughout

the product life cycle. These IT enhancements will lead to more efficient, higher quality evaluation of new and marketed drugs.

The PDUFA IV recommendations, in conjunction with the new safety initiatives FDA announced in response to the Institute of Medicine report (*Sept. 2006*), allow FDA to establish a modern, comprehensive, life-cycle approach to drug safety based on 21st century information technologies, biomedical advances, and efficient risk management strategies.

SIGNIFICANTLY ENHANCED FUNDING BASE FOR PDUFA:

From its inception, the PDUFA program has been about efficient review of applications for new prescription drug products. The PDUFA IV recommendations include significant new resources -- more than \$50 million -- to reinforce the program's financial base and ensure that the program can continue to meet its goals. These new funds allow FDA to respond to inflationary pressures, unanticipated work volume and intensity, facilities-related costs, and increased need to meet with sponsors and to review special protocol assessments (SPAs).

PDUFA CANNOT SUCCEED WITHOUT STRONG APPROPRIATIONS FOR HUMAN DRUG REVIEW:

While we applaud the new recommendations in PDUFA IV, BIO notes that PDUFA fees are intended to be additive to a sound base of appropriations for FDA's core activities. However, BIO is concerned that FDA has become over-reliant on these user fees to meet the core mission of the human drug program. For instance, appropriations funded 150 fewer reviewers in 2005 compared to the start of the program in 1992. In 2005, fees funded more than half of the cost of human drug review, compared to 7% at the start of the program. Unless appropriations increase substantially more than they have over the last 10 years, user fees could account for more than two-thirds of the cost of human drug review by the end of PDUFA IV. BIO is concerned that FDA's over-reliance on industry fees creates an unseemly misperception that FDA is beholden to the industry it regulates. In the long-term, this perception is not in the best interest of patients, biopharmaceutical innovators or FDA. The fee increases proposed under PDUFA IV are necessary for FDA to implement the new proposals which will enable them to continue to make needed new medicines available to patients, but BIO believes that FDA also needs increased appropriations to continue its mission of protecting patients as it faces a revolutionary new era of scientific innovation and advancement.

BIO is a founding member of the Coalition for a Stronger FDA, a group of trade associations, patient groups, consumer advocates, and individual companies whose goal is to ensure a strong, consistent public commitment to resources for the FDA. In addition to user fees, it is important that FDA receive a reasonable balance of appropriations for human drug review. BIO and the Coalition for a Stronger FDA will continue to work

with the Administration and Congress to seek needed increases in appropriations for human drug review activities at FDA over the next five years.

PDUFA SHOULD BE REAUTHORIZED IN A TIMELY MANNER:

It is important that Congress complete this reauthorization in a timely manner to avoid program interruptions, the initiation of a reduction in the FDA workforce, and slow-down in regulatory reviews that will reduce patient access to new therapies. PDUFA should not be slowed or unencumbered by unrelated or scientifically contentious issues. BIO looks forward to working with members of the committee to ensure that this PDUFA package is reauthorized expeditiously and well in advance of the statutory expiration of PDUFA III on September 30th 2007.

CONCLUSION:

In conclusion, BIO believes that the PDUFA program has been highly successful and is a direct contributor to increased patient access to life-saving, breakthrough therapies. The proposed enhancements for PDUFA IV would provide FDA with tools and resources to modernize the post-market surveillance system, evaluate more efficiently each product's unique benefits and risks, and continue to support the timely development and availability of new medicines to patients.

Thank you and I would be happy to answer any question from the committee.